

ARTICLE XXV INDEMNIFICATION

25.0 Indemnification.

25.1 General Indemnity Rights. Each Party (the “**Indemnifying Party**”) shall defend and indemnify the other Party, its officers, directors, employees and permitted assignees (collectively, the “**Indemnified Party**”) and hold such Indemnified Party harmless against:

- (a) any Loss to a third person arising out of the negligent acts or omissions, or willful misconduct (“**Fault**”) by such Indemnifying Party or the Fault of its employees, agents and subcontractors; provided, however, that: (1) with respect to employees or agents of the Indemnifying Party, such Fault occurs while performing within the scope of their employment, (2) with respect to subcontractors of the Indemnifying Party, such Fault occurs in the course of performing duties of the subcontractor under its subcontract with the Indemnifying Party, and (3) with respect to the Fault of employees or agents of such subcontractor, such Fault occurs while performing within the scope of their employment by the subcontractor with respect to such duties of the subcontractor under the subcontract;
- (b) any Loss arising from such Indemnified Party’s use of Interconnection, Resale Services, Network Elements, functions, facilities, products and services offered under this Agreement, involving pending or threatened claims, actions, proceedings or suits (“**Claims**”), claims for libel, slander, invasion of privacy, or infringement of Intellectual Property rights arising from the Indemnifying Party’s own communication.

The foregoing includes any Losses arising from disclosure, by the Indemnifying Party, in violation of Applicable Law, of any End User-specific information associated with either the originating or terminating numbers used to provision Interconnection, Resale Services, Network Elements provided on an unbundled basis, functions, facilities, products or services provided under this Agreement or disclosure otherwise committed by the Indemnifying Party or at the Indemnifying Party’s direction;

- (c) any and all penalties imposed upon the Indemnifying Party's failure to comply with the Communications Assistance to Law Enforcement Act of 1994 (“**CALEA**”) and, at the sole cost and expense of the Indemnifying Party, any amounts necessary to modify or replace any

equipment, facilities or services provided to the Indemnified Party under this Agreement to ensure that such equipment, facilities and services fully comply with CALEA; and

- (d) any Loss arising from such Indemnifying Party's failure to comply with Applicable Law.

25.2 Reimbursement. A Party (for purposes of this Section 25.2 the “**Reimbursing Party**”) shall reimburse the other Party (for purposes of this Section 25.2 the “**Reimbursed Party**”) for property damage to the Reimbursed Party’s facilities to the extent such damage is caused by the acts or omissions of the Reimbursing Party, its agents, contractors or employees.

25.3 Intellectual Property Liability and Indemnification. Provisions governing Intellectual Property liability and indemnification are set forth in Article XXX, Section 30.12.

25.4 Indemnification Procedures. Whenever a Claim shall arise for indemnification under this Article XXV, the relevant Indemnified Party, as appropriate, shall promptly notify the Indemnifying Party and request the Indemnifying Party to defend the same. Failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of any liability that the Indemnifying Party might have, except to the extent that such failure prejudices the Indemnifying Party's ability to defend such Claim. The Indemnifying Party shall have the right to defend against such liability or assertion in which event the Indemnifying Party shall give written notice to the Indemnified Party of acceptance of the defense of such Claim and the identity of counsel selected by the Indemnifying Party. Until such time as Indemnifying Party provides such written notice of acceptance of the defense of such Claim, the Indemnified Party shall defend such Claim, at the expense of the Indemnifying Party, subject to any right of the Indemnifying Party, to seek reimbursement for the costs of such defense in the event that it is determined that Indemnifying Party had no obligation to indemnify the Indemnified Party for such Claim. The Indemnifying Party shall have exclusive right to control and conduct the defense and settlement of any such Claims subject to consultation with the Indemnified Party. The Indemnifying Party shall not be liable for any settlement by the Indemnified Party unless such Indemnifying Party has approved such settlement in advance and agrees to be bound by the agreement incorporating such settlement. At any time, an Indemnified Party shall have the right to refuse a compromise or settlement and, at such refusing Party's cost, to take over such defense; provided that in such event the Indemnifying Party shall not be responsible for, nor shall it be obligated to indemnify the relevant Indemnified Party against, any cost or liability in excess of such refused compromise or settlement. With respect to any defense accepted by the Indemnifying Party, the relevant Indemnified Party shall be entitled to participate with the Indemnifying Party in such defense if the Claim requests equitable relief or other relief that could affect the rights of the Indemnified Party and also shall be entitled to employ separate counsel for such defense at such Indemnified Party's expense. If the Indemnifying Party does not accept the defense of any indemnified Claim as provided above, the relevant Indemnified Party shall

have the right to employ counsel for such defense at the expense of the Indemnifying Party. Each Party agrees to cooperate and to cause its employees and agents to cooperate with the other Party in the defense of any such Claim and the relevant records of each Party shall be available to the other Party with respect to any such defense, subject to the restrictions and limitations set forth in **Article XX**.